The Key Largo Wastewater Treatment District Board of Commissioners met for a regular meeting on February 19, 2008 at 4:00 PM. Present were Chairman Gary Bauman, Commissioners Andrew Tobin Susan Hammaker, Norman Higgins, and Claude Bullock. Also present were the General Manager Charles F. Fishburn, District Counsel Thomas M. Dillon, District Clerk Carol Walker, and all other appropriate District Staff.

The Pledge of Allegiance was led by Chairman Bauman.

APPROVAL OF AGENDA
Charles F. Fishburn, General Manager, moved the Deep Well Bid and the Treatment Plant Process Tanks Bid to the front of the agenda. Thomas Dillon, District Counsel, cancelled the Closed Session for Calusa Campground.

Motion: Commissioner Higgins made a motion to approve the Agenda as amended. Commissioner Bullock seconded the motion.

Vote on Motion

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<td>Chairman Bauman</td>
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Motion passed 5 to 0

PUBLIC COMMENTS: The following persons addressed the Commission: Charles Brooks, Key Largo, FL 33037, Kay Thacker, Key Largo

GENERAL MANAGER
Deep Well Contract Award
Charles Fishburn, General Manager, told the Board that All Webbs was the low bidder and that Staff has completed due diligence and recommends awarding of the contract to All Webbs.

Please see attached transcript of Item K13, Deep Well Contract Award
MINUTES
Kew Largo Water Treatment District (KLWTD) Board
of Commissioners Meeting

February 13, 2009
9880 Overseas Highway, Key Largo, FL 33037

The Kew Largo Water Treatment District Board of Commissioners met for a regular
meeting on February 13, 2009 at 10:00 AM and was called to order by
Commissioner Anthony. Commissioner Anthony announced that no agenda had been
 Circulated. Commissioner Anthony also announced that a resolution had been
introduced into the Board and that the resolution was addressed and
approved.

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KEY LARGO WASTEWATER TREATMENT DISTRICT
BOARD OF COMMISSIONERS

TRANSCRIPT OF RECORDED PROCEEDINGS
TRANSCRIBED FROM A CD RECORDING
Revised by Thomas M. Dillon, District Counsel
From the meeting tape on March 22, 2008

PROCEEDINGS HELD TUESDAY, FEBRUARY 19, 2008
Agenda Item # K-13, Deep Well Contract Award

Gary Bauman Chairman
Andrew Tobin Vice Chairman
Claude Bullock Secretary-Treasurer
Susan Hammaker Commissioner
Norman Higgins Commissioner

Charles Fishburn General Manager
Thomas Dillon District Counsel
Carol Walker District Clerk
MR. FISHBURN: We have Bill Lynch with ARCADIS Engineering on the phone and how did I leave my section 13 out? Okay, deep well contract award. We have bid this project during January. The bidding was on January 17th. We had two bidders, All Webb and Youngquist. The low bidder was All Webb at 4.9 million. The staff has completed our due diligence on the project and in your backup is the bid tabulation and the letter of recommendation from Arcadis. And this is a big step to the district. It's a five-million dollar project. We budgeted six-million-four. The engineer's estimate was 4.8. One bid came in slightly over the engineer's estimate and the other bid came in ten percent over the budget and 35 percent over the low bid. We staff recommend going with the low bid.

MR. TOBIN: Chuck, you were over on the West Coast doing some homework on deep well injections. What did you learn?

MR. FISHBURN: Well, my one concern is and (do I have my plant drawing up there?) well, at any rate the concern I had was because the other item on this agenda our process tanks. And the question is can we do the tanks at the same time we do the well. The one project doesn't interfere with the other. The wells take very little space once they're completed, but the staging area is pretty significant during well drawing. So the biggest thrust of my visit over there was to see what was involved in staging area. The one area of Golden Gate which is near Naples was a very confined area and much more severe than ours. The Lehigh Acres area had as much or more land available than our site. My conclusion was is that we can go ahead with our tank project and with the well project and that they won't interfere with each other.

MR. TOBIN: Can I ask a couple follow-ups? What did you learn about Webb Brothers?

MR. FISHBURN: We have Both Youngquist, Ed McCullers from Youngquist is here, and we have Dave Webb of Webb. Both of the wells that I visited were Youngquist Brothers, and I really didn't visit for that, it just happened to be that that was two projects that I happened to work on myself in the past. And it sort of came up in a hurry, but I obviously was impressed with both projects. You know, like I said, it mainly was a staging issue and Youngquist obviously were both wells and very impressed with operation.
MR. TOBIN: Okay, I guess that's all I have.

MR. BAUMAN: Okay. We've got some public speakers, so why don't we go with them. Charlie, you want to go first?

CHARLES BROOKS: Can we hear from the two vendors first before we make remarks? Is that possible? I think that would give us more insight.

MR. BAUMAN: I don't have a problem with that. So, Ed, you want to go first?

MR. FISHBURN: Oh, let me interrupt for one second. A new member of our staff last week is Jeff Hynes in the back. Twenty-eight years worked for state of Colorado. A geologist. Local hire. Plans to obviously support us in this endeavor. Obviously ARCADIS is the engineer of record. They will oversee it. And very similar to other inspectors that we have on our road projects, if he fills out any documentation or whatever, it will be on behalf of ARCADIS.

MR. McCULLERS: Thank you, Mr. Commissioner, chairman. My name is Ed McCullers. I'm with Youngquist brothers and I appreciate the opportunity to come down here and voice my opinion. I just wanted to talk about the bid a little bit. Thus far Youngquist Brothers has drilled every deep injection well in the last 13 years in the state of Florida. So all together we've drilled over a hundred injection wells. So obviously we take what we do very seriously. On this particular bid and on these bid documents, it had references in the bid documents that...

MR. FISHBURN: Excuse me. I want to make sure that, Bill Lynch, can you hear this?

MR. LYNCH: I can barely hear, Ed. Ed, if you could

MR. FISHBURN: I'll move your speaker phone back closer to him.

MR. LYNCH: Thank you.

MR. McCULLERS: I'll try and speak up, Bill.

MR. FISHBURN: Let me crank this up
MS. WALKER: It's up all the way, Chuck.


MR. McCULLERS: Essentially what I'm saying is in the bid documents and at the pre-bid meeting there was emphasis on experience required to do the project, and there was experience qualifications in the document that said that you shall have this and you shall do this. And the low bidder essentially does not have that experience. Obviously there's a discrepancy or a large spread in the prices, which obviously is a concern. But he did not have the required experience that was so important in the bid document and at the pre-bid meeting. It also said in the bid documents that the owner would reject if false or misleading information was submitted in the bid. And he submitted information in the bid that did not meet the standard. And, you know, it gave that as a reason to reject his bid. You know, like I said, we have eight rigs. We drill injection wells every day. All Webb is a good company. They're trying to break into the industry. Nothing bad to say about them about this whole business. But it's our opinion that they didn't meet the requirements of the bid documents, and they've never drilled a deep injection well, and that their bid should have been rejected. Obviously there's a huge spread in the pricing. The last job that we've bid against all All Webb Enterprises they were $800,000 higher than we were. So, you know, they've kind of bid around, around, all over the place. We do these every day. We've got seven rigs right now running seven days a week, 24 hours a day. To drill one of these deep injection wells, it's a big deal. And they do need to go around the clock. And to tool one up and prepare to drill with a tight schedule is going to be very challenging. And I'd like for you to please consider that, looking at our bid again and possibly negotiating a more reasonable price with the, what I would consider the low responsive, responsible bidder. There are things that we can do to lower the price and get a whole lot closer to your budget. A injection well can be a problematic thing if it's not done right. You're going to be, you're going to have this well for a long time. And, you know, like I say, we're the most experienced in the world, at it. And I guess it comes down to a question you're going to have to ask yourself is it, is it better to pay more than you anticipated or less than you should have. That's all I had. I'd be happy to answer any questions.
MR. HIGGINS: Are you the only deep well injection people doing it in the State of Florida? I mean you're telling me, I mean I'm sure, I mean you're doing all the deep well injections in the state — and I'll talk to him in a minute. I'm sure your overhead's a lot more than his overhead, so that's where the price is coming, on the bid, too, where, you know, you feel like you gotta charge more.

MR. McCULLERS: Well, again, it's, I'm sure that it's substantially more. We have a shop and yard, a complete machine shop, and we support our rigs. We've got 15 over the road trucks every day. We've got a cementing division, we've got a logging division. We've got machinists that support. We've got a 28-acre facility that has 60 employees at it every day that support these rigs and make them run around the clock. It's a big operation. And, you know, essentially it's -- you know, they have an economic advantage is the bottom line.

MR. BAUMAN: Claude, you got any questions?

MR. BULLOCK: Don't you think that there might have been a tendency for your price to have been a little bit lower if you really thought you had stronger competition?

MR. McCULLERS: No sir. You know, I mean, we sat right next to him at the pre-bid meeting. I know we had competition. You know, we bid them the way we see them. And we sit down and run through the costs and we have to support our operation. And more times than not the contracts that we work on are a fixed price lump sum contract rather than a unit price contract. And it's, we do good by drilling wells timely and efficiently. I don't know how else to answer your question.

MR. BULLOCK: Given, if he had the equipment, do you see any reason why he should not be capable of doing the job?

MR. McCULLERS: I think it's a free country and it's America. You know, he ought to have the opportunity to try. But again, it's a question of how many, like I say, to run a project of this nature with three crews, seven days a week, 24 hours a day, which in well drilling that's pretty important on this type of well. Otherwise you work a day and then it takes a day and a half to get back to where you left off that day. So to support one of these operations
to go around the clock, if you've not done that before I'm going to assure you that's really challenging. And, you know, again, we have a staff of guys who come out here and cement your well. The driller and the cementer is not same guy. The guy that runs the logging, he's got three engineers back there keeping the tools running and operational so that when we show up, our geophysical logging tools work. And we've got five tankers, dump trucks to haul mud off so we can timely complete your well.

MR. BAUMAN: Susie, have you got anything?

MS. HAMMAKER: I'm not sure who exactly to ask, but I do have some questions.

MR. McCULLERS: Yes, ma'am.

MS. HAMMAKER: My background as far as drilling and hydrology and geology is mainly the state of Nevada where I worked for -- mining operation in Tonopah, Nevada and Las Vegas, and we had various drillers and hydrologists and so on come through. And of course drilling in those mountains and high country is very different from our cracker coral to so to speak.

MR. McCULLERS: Right.

MS. HAMMAKER: I've also been trying to find out as much as I could from my contacts in USGS and other agencies regarding this subject. Because it's, as you point out, it's a very critical one. And you do appear, at least in your advertising on the Internet, say that, you know, you are familiar with this boulder zone, you know, which is below, starts at 100,000 meters, roughly 3,300 feet deep. And that you also are the only driller in Florida with the ability to do all down-hole monitoring required by the Department of Environmental Protection. I'd like to focus on the drilling itself. I have an e-mail here that relates to the Black Point disposal wells, boulder zone wells. Were you involved in that project?

MR. McCULLERS: We did the last seven wells that were drilled there.

MS. HAMMAKER: I see. Because I understand that of the 25 boulder zone disposal wells at Black Point, about ten were not grouted properly and began leaking upward into the shallower aquifer. I'm quoting now from Jean Shinn
The boulder zone as you know is artesian and I understand has a head capable of pushing water about 40 to 60 feet above sea level; that's correct?

MR. McCULLERS: Based on putting fresh water into it, yes.

MS. HAMMAKER: And that wastewater has to be pumped down. So if the casing is not properly grouted in the overlying confining layer, they will leak. Were you involved in any of those wells?

MR. McCULLERS: None of the wells that had been problematic. It's understood that early on you drill a pilot hole first.

MS. HAMMAKER: Right.

MR. McCULLERS: A twelve-inch pilot hole. And we do all those logging and packer tests --

MS. HAMMAKER: Just when you're drilling for ....

MR. McCULLERS: Right. Well, the reaming bit doesn't necessarily follow that pilot hole. So I think it's been about 15 or 18 years ago Youngquist Brothers thought that was a problem because it doesn't necessarily follow it. And that is a direct conduit from the boulder zone back up to your monitoring interval. So at that point we started cementing up the pilot hole from above the boulder zone to the USDW. We didn't get paid to do that. We just did it because we thought it was a problem to our industry. And I'm confident that's at least part of the problem that Black Point in Dade County there, is early on they didn't do that and that was several other drillers that went broke in the well drilling business, injection well business.

MS. HAMMAKER: Right, and I realize our geography may be a little bit different, and I'm not really clear on that. I'm by no means an expert in any geology to know the, or hydrology for the Keys here. But, but this, so that's one issue. Another issue relates to this bid. And I've been investigating prior bids of your company and contracts that were awarded. And it seems, although I haven't completed my investigation -- that this, your bid here for us was over a million dollars more than some of your last bids, if I'm correct.
And again, I haven't completed, but I just, you know, wonder what made our bid roughly a million dollars more.

MR. McCULLERS: That's a very fair question. And, you know, again, some of the jobs that we get compared to were jobs that were bid some time ago. And, you know, oil has gone up substantially and most of the equipment that we use or tools or drill bites or bits, so forth, you know, when oil was at $40 a barrel, things were easy to get and you could get them wholesale. Now you can't get them and when you do you pay 150 percent. So the cost of oil has impacted what we do. To further that, to go on and try to explain our number a little bit better, some of the bids that we bid on are fixed price lump sum contracts. Some of them are lump sums with adjustment values. And others are such as this is a straight unit price contract. It's also got contingencies built in there for standby and for additional work. So there's costs in this bid that may have not been in other bids just in case.

MS. HAMMAKER: And the Keys, in other words, we're an area of state critical concern, we're in the middle of a national marine sanctuary and we have various standards. Is this the factor in the cost, and if so, how much?

MR. McCULLERS: Again, housing is very expensive. Like I say, we bring in three crews. We house them. So we'll have houses rented all over Key Largo, and it's more costly than it is in Fort Myers or West Palm, depending on what you're comparing it to. It's also very costly to dispose of the drill cuttings from here. We have to, you know, potentially we may even have to haul them all the way back to Fort Myers to get an approved dump site for the bentonite and the mud and the reverse air cuttings. Very possibly we'll have to go all the way back to Fort Myers for those.

COMMISSIONER HAMMAKER: I see. What percentage of your bid is that, the oil and these factors? Maybe I can, I need to review it.

MR. McCULLERS: Yes, ma'am. That would be hard to come off the cuff with.

MS. HAMMAKER: Well, I'll be asking the same questions with....

MR. McCULLERS: Yes, ma'am, I honestly couldn't give you an accurate number.
MS. HAMMAKER: Okay. I think that's about it for right now. Thank you very much.

MR. McCULLERS: Thank you.

MR. BAUMAN: Andy?

MR. TOBIN: I was going to suggest, because, except for Susie none of us are experts in drilling. She amazes me every time I come to these meetings how her background is so diverse. I was going to suggest that maybe David Webb could address some of the comments. Because, he's probably in the best position to defend his company and some of the concerns which Youngquist is raising. I'd sort of like to hear from them. So I don't have any questions for -- is it Mr. McCullers?

MR. McCULLERS: Yes, correct.

MR. TOBIN: I don't have any questions for you.

MR. BAUMAN: Ed, one question I have. Have you since gone back and reviewed your bid or that bid and analyzed how that may have been so diverse that what the causes are?

MR. McCULLERS: Well, yes, sir, I have. And again, I'm going to relate it to we've got a lot of experience doing these wells. We have the equipment to do it. It's not on order. We've got the equipment in our shops, at our yard, working on other jobs. We know what the costs of the bids are. We know what it takes to do the job. But again, I think it's apples and oranges. I think that there's an opportunity to save money by going to a lump sum and reducing some of the contingency items. Couple other ideas that I'd be happy to put out there.

MR. BAUMAN: So, are you saying that All Webb's bid is a lowball or not an accurate reflection of what the true costs are going to be?

MR. McCULLERS: I would suggest that my bid based on the terms and conditions of this contract would have never been at that number.
MR. BAUMAN: David, you want to go up next?

DAVID WEBB: Delighted to.

MR. DILLON: Mr. Chairman, before he does, I'd just like to make a couple comments about the bid process. This will be due to evaluation 101. We evaluate the bid responsiveness when we open the bid. We do the bid spreadsheet to determine who is the apparent low bidder and then, after that, we look at bid responsibility. And bid responsibility can be summarized as the ability of a bidder to actually do the work. And for that purpose we had ARCADIS look at what All Webbs have done and they determined that although All Webb's experience didn't meet the letter of the qualifications statement, and the qualifications in the bid package, they were functionally similar, and that there was every reason to think based on the experience that All Webbs had and the record they had of performance with other owners, that they can perform the work. And our bid documents allow the district to waive informalities or even deficiencies in a bid if it's in the best interest of the district. Based on our evaluation and ARCADIS's evaluation, the staff is recommending that you waive any informalities or deficiencies in the qualifications in the bid because we have determined with ARCADIS that the functional experience of All Webb is equivalent to the specific requirements in the bid and that there's every reason to think that All Webb would be able to complete the project satisfactorily. With that I'll turn it over to All Webb.

MR. BAUMAN: Thank you. State your name and address.

MR. WEBB: My name? David Webb, Junior, with All Webbs Enterprises, 309 Commerce Way, Jupiter, Florida. I'm the general manager for All Webbs. Dave Webb, Senior is our president. I may look a little young for a drilling company to you all, but I have some experience. And All Webbs has a lot of experience in drilling. Started 30 years ago with residential wells, working our way up small steps, commercial, drainage wells, deep Floridan wells. As the market changed, we adapted, moved to larger scale projects and have stayed in the game. We in the '90s started doing rehabilitation work on injection wells, MITs every five years. You'll need one on your well. That was our way to get into that market. And since then we have been pursuing the injection well market. It's been about five years that we've been constantly trying to get into the injection well industry. And we believe we can do it. We have
the personnel. We can get the equipment. We had it before. Had to -- not had to, but there were some other things that were out of our control. When we bid projects, we were asked to give a complimentary -- Well, it's not really a complimentary bid, but we were asked to give a bid. We will bid against Youngquist and then the owners usually get a good deal on their well. So... we want to get in the market. We believe we can do it and we will keep trying until we get our injection well.

MR. BAUMAN: Can you hang around for a couple questions?

MR. WEBB: I sure will.

MR. DILLON: Can I just ask one quickly? Mr. Webb, you will be providing a performance bond; is that correct?

MR. WEBB: Yes.

MR. DILLON: Thank you.

MR. BAUMAN: Norman?

MR. HIGGINS: My deal was about the performance bond, if he can put up a performance bond.

MR. BAUMAN: Okay.

MR. WEBB: Yeah.

MR. BAUMAN: Claude?

MR. BULLOCK: What is your idea on the housing situation? Had you taken that into consideration?

MR. WEBB: Yes, we have. Also -

MR. BULLOCK: You're geared up to do around the clock operation, or could be?
MR. WEBB: Yes, we will be. We know it takes to get this done on this schedule. We're familiar with it. We've done it before on other Floridan projects and we have dealt with the difficulties of housing, having to provide housing for the personnel that it takes to get these jobs done. Some of them come from out of state and they work on a shift and they'll stay with us or a few weeks and then go home for a week, and then they come back and replace the other shift.

MR. BULLOCK: You mentioned that you bought this equipment several times and then let it go? What's...

MR. WEBB: Yes.

MR. BULLOCK: Do you want to expound on that?

MR. WEBB: We had a rig in 2004 capable of 440,000 pounds, which is more than enough to do this well and good enough to do most every injection well. There are some that are bigger than that. And it was a top drive rig, which is what is required to drill in the boulder zone when you encounter problems down there. But we had this rig. We had a couple jobs that we bid. We were told that there was a great chance that would get these projects, and for whatever reason, we had the rig, the personnel, the bonding, we were there, but we didn't get the job. So we held onto it until, as Ed mentioned, the market in oil and gas just exploded and we got an offer nearly double what we paid for it and it was sitting in our yard ready to go to a job, but we couldn't get the right match between owner and us to get it on a job, but we couldn't get the right match between owner and to get it on a job. So we gained a profit and we've been doing other work and always keeping an eye out for the next injection well.

MR. BAUMAN: Okay. Susan?

MS. HAMMAKER: Well first of all, I have great sympathy for you. I've been in the position of wanting to get a contract, being against a lot of big guys -- and when you're the biggest there's quite a considerable politics involved. I don't really see myself as a politician, although I guess I'm elected so I've become one. But there are also some issues and it's tough to get that first job. Now I'm elected not feel sorry for you but to do the bidding of the tax
payers. And it's - as I say my heart is with you, I wish you well, but I have
some concerns about, you know, the same questions that I'm looking into that
this is a tricky Swiss cheese area and that we have all sorts of penalties and
rules and regulations that we Keys were, to me we have an environmental
justice, we're being asked to take hits for the National Marine Sanctuary, and
all of Florida while the mainland can get away with sewage murder. And so, you
know, I have deep feelings for this particular thing. However, we are
committed and our staff is doing an excellent job pushing ahead and getting our
special district in Key Largo completed by 2010.5, and we're here doing a great
job. So if you don't have the back shop to fix, I know having lived on a ranch
and all, and as I say working in drilling and ordering parts for four states
for the western operations, you know, things break down. You've got down time.
I mean machines have a life of their own. So you've got all these different
problems. Now I'm looking at you -- I'm looking at you to see can you perform?
Can you get that part on whatever plane. I don't know where your parts come
from. We hope they don't come across the Atlantic Ocean or something, another
area down the road had parts that come from Germany. You know, I hope that
doesn't happen. But anyway, there are all these different problems. So it's
your ability to perform. So here I've gone around, well I'll save that speech
until a little bit later. So I'm anxious to see how you would answer, you
know, or in other words, when you have a breakdown this one rig that you're
getting, if it breaks down, you don't have eight rigs to pull off another job
and bring down. So, I mean, you've got a few little difficulties here. So I'm
all for your spirit and I'm all for you, but tell us how, you know, how you
build into your bid these possible delays which cost money. And I don't know
what you budgeted for oil and gas. I gather it's probably half a million
dollars for Mr. Youngquist, I don't know. No?

MR. McCULLERS: If I could, we were going to bring a completely electric drill
in. It would be all electric. We would burn electricity. No big deal.

MS. HAMMAKER: Oh, help, I don't know whether that's good news or bad news.

MR. BAUMAN: Your question is, have they built in contingencies?

MS. HAMMAKER: Have they built in contingencies addressing some of these
problems not having more than one rig, not having your own back shop, having
limited employees who are gung-ho. I mean your spirit probably will beat them
down.

MR. BAUMAN: Well, let me ask you, Suzie

MS. HAMMAKER: Okay, end of speech.

MR. WEBB: We did include fuel in our costs. Everything to do this well is
included. We are very familiar with down time and keeping operations going.
On this well you have a simplified well compared to some other injection wells.
Whereas a last string is fiberglass instead of a final steel string which
reduce the rig requirement in that aspect. We have two other rigs that are
rated at 200,000 pounds static (not understandable) load, that are capable of
doing this well. And in the event there is a problem with setting the 28-inch
casing, which is 180,000 pounds static with no buoyancy and other conditions,
then we can have a backup hoist on site that will step in and take over if we
have to use one of our backup rigs in place of the SK rig should something go
completely wrong with that. But it is made in the U.S.A. with proven
technology that's been around for years. And we don't believe we'll have
trouble getting parts and working out the kinks with it. They've built many
rigs where we're buying this. We do have a shop in Jupiter where we have our
support staff. We have our, we do most of our work under our own resources.
We do our own cementing. That is, cementing personnel. We have logging
technician, and he is an electrical engineer. He services the tool itself all
the way to the keyboard. And we buy from manufacturers in the United States
that work with us and work with our competitors. Pretty much the same
equipment. There are some tools that we have that are different. And we have
our own packers to do the testing and the water quality testing, the flow
testing. We have that equipment. We've used it before. Our Floridan wells
will require the same type of work but the scale on this is different. Except
for some of the injectivity tests in your injection when we complete the well
and we have to an injectivity test, we've done that before on a rehab, but not
on construction of a new well. But we do have most of our own resources and we
can keep them up and running. We are a small company. And from day one if we
didn't have it, we either found it, brought it in, learned how to use it, or
fixed it ourself to keep going. And when it got more technical than one person
can handle, then we'd hire out the technical people that we could train and
make sure that we do the work the way it needs to be done. And that's to get
the best quality because the people who need it to make their decisions and you
the best well.

MS HAMMAKER: Do you have to farm out your down-hole monitoring?

MR. WEBB: Down hole monitoring?

MS. HAMMAKER: Required by the DEP. I'm reading off your contemporary I won't
call him competition, to be nice.

MR. WEBB: We, for transducers and investigative videos and logging, we can do
that ourself. I'm not sure what they mean by down-hole monitoring.

MS. HAMMAKER: I'm quoting, "We are the only well driller in Florida that has
the ability to do all down-hole monitoring required by the DEP." I'm just
interested because this could be older information, and, you know...

MR. WEBB: I'm not sure what everything is in that.

MR. BAUMAN: Andy?

MR. TOBIN: Yeah. Can I call you David?

MR. WEBB: Sure. Yes, sir.

MR. TOBIN: Do you have any reservations or doubts that you can do this job?

MR. WEBB: No. We've been preparing for quite sometime.

MR. TOBIN: What percentage of your business will this job represent? In other
words, if you get this job, you have five or ten or 30 other jobs going
elsewhere, or will this be your only job? Give me some sense of where your
resources are going to be diverted if you get this job.

MR. WEBB: Sure will. We are a well drilling company. That's all we do. We
don't do anything else. Well drilling, servicing, maintaining wells. Right up
to this point we've been bidding on production wells, which are the RO wells
that Florida's been utilizing to make up for the heavy demand on the surface
aquifer. So we bought when, when there was a big demand for that. We focused on that. We bought some rigs and we have four rigs capable of doing that work alone. Now we've shifted our focus off of those wells and we are focused on injection wells. We have one other ongoing project and then we will have, we are buying this new rig and we will have another rig capable of injection wells and that's what we are focusing on now. So that, plus we have one other well project which is a production well. Three of the rigs will sit stacked out.

MR. TOBIN: So this job will occupy what, 70, 80 percent of the resources of your company for six, eight months or however long it takes? In other words, the competition is saying they've got seven or eight other jobs going.

MR. WEBB: Right. Well, we will not be doing the production wells right now. So we will take our current personnel, production capability, and move them to injection wells. So it's this injection well plus another, so it's 50/50. Plus we will have to bring in more equipment and manpower.

MR. TOBIN: Well we will be occupying a big percentage of your company's time.

MR. WEBB: Yes.

MR. TOBIN: Are you going to be down here running this job or is somebody else going to run it?

MR. WEBB: It will land on myself and Dave, Senior, and our other qualified personnel.

MR. TOBIN: Okay. And one of the comments that was made about, by Mr. McCullers was that they have concrete cementing personnel. Different departments for all that.

MR. WEBB: Right.

MR. TOBIN: How do you address that aspect of this job in terms of you've got a department for this and a department for that? How does that work?
MR. WEBB: Okay. We, I'll fall back on what we have been doing through the Floridan wells. Done many over the past just five years, about 25.

MR. TOBIN: The cementing part of?

MR. WEBB: We do all of our own cementing. As of two and a half years ago we do our own logging.

MR. TOBIN: Let me just stop you there.

MR. WEBB: Okay.

MR. TOBIN: Is cementing part of every drilling operation regardless if it's 3,000 or 1,000?

MR. WEBB: Yes.

MR. TOBIN: Is there any advantage of doing it yourself as opposed to having a subcontractor do it?

MR. WEBB: Yes.

MR. TOBIN: What's the advantage?

MR. WEBB: Cost, and I would say quality. You would have to watch the quality of their work.

MR. TOBIN: Now Commissioner Hammaker was talking about some problems with your competitors in terms of properly grouting I guess the pipe. Is that ever a concern to you? Is that ever -- is grouting and leakage a common industry problem?

MR. WEBB: A proper grouting job is always my concern. When we drill a well and we are preparing to grout it, we have to do our calculations, we have to install our equipment, and then we have to make sure we mix the grout properly and pump it at a certain rate so that we can ensure that that's grout job with what we have. As far as the pilot holes, I know on your contract it is stated that there will be back plugging of pilot holes to prevent the possibility of
that channeling between aquifers. So that precaution is taken care of in your contract, and rightfully so. That would be a big conduit.

MR. TOBIN: Final question. There was a comment about fixed price versus a unit price. Is there anything that threw you about our demand for a unit price contract? Is that something that created a problem for you?

MR. WEBB: I would say it does affect, it does affect how we go into a job. Is it significant enough to change our number by, what is it, 30 percent? No, I don’t think it’s that much.

MR. TOBIN: And this isn’t a question, but it’s my final comment, which is if your housing expense is too high, Florida City and Homestead is a little lower.

MR. WEBB: Yeah.

MR. TOBIN: Thank you very much.

MR. WEBB: You’re welcome.

MR. BAUMAN: Thank you David.

MR. WEBB: We appreciate the opportunity. Finished?

MR. BAUMAN: Yep. Charlie, you want to go next?

CHARLES BROOKS: Yeah. I just have a few quick comments that you might want to discuss. They're comments, they're not necessarily suggestions, or they may be suggestions to discuss.

MS. WALKER: State your name and address.

MR. BROOKS: Charles Brooks, Key Largo. You had some dialogue up here about possibly getting a better price, maybe re-bid is a consideration for getting the best of two worlds if you have some concerns about lack of experience and the ability to carry out. And assuming Tom may address that. And then if it was a bond situation and the low bidder did not perform and it went into a bond
situation, since it is a one-company industry right now who would end up by doing the final work?

MR. BAUMAN: Thank you Charlie. Kay?

KAY THACKER: For the record, Kay Thacker, Key Largo. Right here from ARCADIS, it says, reading from the letter from them, it says, "All Webb does not meet requirements stated and is at the low end of the range of accessibility. But we do believe that All Webb has a reasonable chance of completing the work satisfactorily." Does All Webb have any deep injection wells that can go be tested to see? Whereas Youngquist has, had some problems that you could go and check their work. And the equipment, you know, having optimal backup equipment and optimal crew experience are two key factors that bring up, you know, a few questions to my mind. And like Charlie said, I'd like to see because some of the, to me it's like what one company was bidding against the other company, it's not apples and apples, it's oranges and pears. So maybe a re-bidding might be an option that you could look at. Thank you.

MR. BAUMAN: Thank you, Kay. All right. Are you trying it to award the contract today?

MR. FISHBURN: Yeah.

MR. DILLON: The process, Mr. Chairman, is that if you approve this, we will send out a notice of intent to award. Presumably it would be to All Webb, and Youngquist would have I believe it's ten days to file a protest, which we would, would not require us to delay awarding the contract. But if the, depending what the protest said, we might recommend it, it's doubtful, and that's the way it works. If they have concerns about the award to All Webb, they'll have plenty of opportunity to give us a written submittal that explains exactly what those concerns are.

MR. BAUMAN: Can we get ARCADIS to comment after we've heard all this?


MR. LYNCH: Sorry I was on mute.
MR. FISHBURN: Chairman Bauman had a question for you.

MR. LYNCH: Yes. Please go ahead, Mr. Chairman.

CHAIRMAN BAUMAN: Well after hearing all this, do you want to comment on why you chose, why you were involved in choosing All Webb as opposed to Youngquist?

MR. LYNCH: Well we, there was a letter to your agenda item number 13 that shows how we went through the process on behalf of the district to determine both the responsiveness and responsibility of the two bidders. And through that process, and I believe there was a citizen who just commented who quoted from the Page 5 of our letter regarding what we had concluded regarding the specific requirements of All Webbs. We'd also noted that because there was a reasonable chance for them to complete the work. I understand that since this letter has been drafted that there may be additional qualifications that All Webbs has brought to the attention of the district addressing some of our greater concerns which was adequate staffing. I can't, I listened to what Mr. Dave Webb said regarding equipment, and that does help also reduce some of our concerns. But what we saw the risks to be are essentially summarized in the last paragraph which was, like the extended construction period, additional cost involved in supervision, and, you know, the rest of a well failure potentially being able to be addressed by contractor bonding if that were to occur.

MR. BAUMAN: All right. Any other discussion?

MR. TOBIN: The well failure, is that before, during or after? The potential for well failure, would you explain what that means? Tell me, is that something that concerns you during construction or after construction?

MR. LYNCH: What we said was failure to complete the well. So that was during construction. That would be, you know, potential that they could lose the tool or when they go into the boulder zone there could be, you know, some potential to have a difficulty completing the construction. One of the reasons that we believe that greater supervision or oversight, I shouldn't say supervision because supervision falls to the driller. But oversight during construction would be appropriate is because All Webb has not demonstrated experience to complete the well in full accordance with the plans and specs. But with that
added supervision, you know, we believe that there is a reasonable assurance
that they'll be able to complete it.

MR. TOBIN: After the well is in operation, is there any latent problems that
are, that could come up that would not be discovered during the construction?
In other words, if they're supervised and everything goes apparently well
during construction, is there any possibility that a year down the road
something could happen that perhaps a more experienced company could have
avoided? Or once it's in, it's in?

MR. LYNCH: There's a couple things. The state has explicit requirements over
the initial installations to try and mitigate any potential failure during
construction? But there's also ongoing testing, and there's also a monitor
well associated with it. Although we talked about the deep injection well,
there actually will be two wells on this project. One is for monitoring and
one is for injection. And then there's a periodic requirement for mechanical
integrity testing that goes along with it. And so there is potential in the
future that there could be evidence of effluents in the monitor well, but that
could also be the case related to the geology as well as the installation.

MR. TOBIN: And how do we know as a district whether something in the future is
related to the construction versus some other factor? Or is that just a
function of the inspection?

MR. LYNCH: You know, we can, we will during the installation or construction
of the wells, document, it's the full construction every week a report is sent
to DEP as is required that will evidence that the well has been installed both
in accordance with the design as well as in accordance with the requirements.
And I think with the protocol being followed, that, and perfectly in place to
be followed so that the likelihood of failure is very low.

MR. TOBIN: Okay. Well that's good to know. That reassures me. Thank you.

MR. LYNCH: Uh-huh.

SPEAKER: Anything else by ARCADIS?
MR. DILLON: Bill, this is Tom Dillon. Could you explain to the board how you determined that All Webb had functionally equivalent experience necessary to meet the qualifications?

MR. LYNCH: Tom, when we reviewed their experience both regarding UIC permitted wells and other wells, we did not conclude that they have equivalent experience, but we concluded that they had sufficient experience for us to be able to conclude that they have the chance to complete the work satisfactorily. Now, as Dave Webb said, and I don't want to speak on behalf of Webb, they've been in the business for 30 years. And although they, their experience is related and we pointed out and we did give examples of work that they've done to the satisfaction of the South Florida Water Management District, we thought that experience along with their long standing experience would give them the ability to complete this well. And we did also do a side-by-side comparison of the DEP requirements for completing the well to give ourselves, you know, the understanding that their experience should be adequate to be able to complete the well with the right supervision.

MR. DILLON: So would you recommend that the board waive strict compliance with the detailed responsibility requirements in the ITB?

MR. TOBIN: Objection, leading.

MR. LYNCH: (Inaudible) the engineer that I could make, but we did write the letter that concludes that we think that they have reasonable chance of completing the work. And I understand from a little bit of additional information I have received since we have prepared this letter that, you know, additional drilling resources in terms of qualified personnel may now be available to do the work, and listening to Dave, there's equipment as well that should be able to back up their work. Two of the issues we felt were important when we had drawn our conclusion that, you know, the risks were associated with the extended construction period, and maybe insufficient staffing.

MR. DILLON: Thank you.

MR. BULLOCK: I had a question. Do you feel that, you know, we're talking about a two-million dollar, little less than two-million dollars increase in cost. You are indicating that additional supervision would be required. Do
you have a feel on what order that extra cost might be or is it a half million
or is it a hundred thousand?

MR. LYNCH: We anticipate on the order of 200 to 250,000.

MR. BULLOCK: Okay. And that is, I guess, providing more or less technical
support to Webb?

SPEAKER: No, no, to you. We would work for the district and observing the
district and advising the district. And also, you know, having David available for
Webb, but they would be responsible for, you know, the work they'd be doing.
Essentially they need to drill 24, well, as Mr. McCullers said with Youngquist
24 hours a day is the preferred method. What we would provide is 24-hour a day
support to the district through observation and consulting.

MR. BAUMAN: Is that it?

MR. TOBIN: Let me just say (inaudible). I have a follow-up to that.

MR. LYNCH: Sure.

MR. TOBIN: The $250,000 oversight in your observing and your advising, what
does that translate to on ground? What are you doing on the ground?

MR. LYNCH: Somewhere on the order of 2,000 man hours. I'm estimating one man
year essentially.

VICE CHAIRMAN TOBIN: One man there all the time, the whole time?

MR. LYNCH: Yeah. Yes.

MR. DILLON: One man year, I believe he said.

MR. LYNCH: Yeah, one man year of additional supervision. I shouldn't say
supervision, observation.

MR. TOBIN: Is that -- Well, what is your plan on a day-to-day basis? Is
somebody going to be there a few hours a day or?
MR. LYNCH: No, the whole time they're drilling the whole time. The well would be covered. Now Chuck has recently hired a part-time geologist who he introduced at the beginning of the meeting, and I, you know, I can't speak for Chuck on how, to what extent the geologist would be involved, but as the engineers or geologists of record we would suggest full-time presence of ARCADIS during the installation of the well.

MR. TOBIN: I'd like to hear our staff's response to that. Do you agree with that, Chuck? Is that what you're planning on doing?

MR. FISHBURN: Well, he's promised for the next meeting, board meeting, his recommendation for oversight of this project. During the drilling they, both contractors propose 24 hours a day. The question was in these 24 hours, 12 hour, in their proposal it appears to be 24 hours. So we'll bring that to the next meeting.

SPEAKER: And that's sort of independent of this decision, I mean....

MR. TOBIN: ARCADIS, do you see some oversight with Youngquist as well?

MR. LYNCH: Yes, absolutely.

SPEAKER: And what's the difference in the oversight cost or percentage?

MR. LYNCH: Well, right now my estimate is one full-time person less because the experience Youngquist has and experience we have with Youngquist observing their work.

MR. TOBIN: Okay. So in terms of dollars, if you're anticipating over 250,000 to oversee Webb, how much do you anticipate to oversee Youngquist?

SPEAKER: No, sir, that would be an additional $250,000.

MR. TOBIN: In addition to what?

MR. LYNCH: As Chuck just said, we were asked to bring a proposal to the next board meeting. You know, it would be on the order of, with adding in that
250,000 you're now looking in the order of six to seven-hundred-thousand
dollars of oversight costs. It's a labor intensive effort.

MR. TOBIN: So --

MR. LYNCH: I guess simplifying it in round numbers, and let's say it's seven-
hundred or let's take six-hundred for the purpose of discussion, (inaudible),
you're looking at let's say 450 versus 700 in terms of possible costs involved
in oversight. And that's reporting, you know, all the services required by
DEP, not just (not understandable).

MR. TOBIN: I'd like it get -- do we have any -- is that the direction we're
going, Chuck? Or do you see some other direction for oversight? I remember
that when Weiler was going to do our inspections, we wound up having an in-
house inspector with Weiler still supervising, but it saved us $100,000.

MR. FISHBURN: I do envision that what we do with Weiler, we have two employees
now fill out on Weiler paper every day what they do and weekly and Ed is up
here weekly -- or Ed or one of the staff is up here to oversee our people. I
envision -- Again, we haven't gone that far with ARCADIS and they're sort of
new to this concept with us. As I said, I advertised for a geologist. I
didn't know whether I'd get one or not. I believe I hit a home run with a
geologist. I'm saying with him that he's going to go to West Palm and meet
with ARCADIS and that. But again, this is sort of independent of whether we do
Youngquist or, or --

MR. TOBIN: Well, you know, $250,000 or double the inspection fee, I'm
inclined, you know, to follow staff's recommendation and, but I'd still like to
talk about these things. And, you know, once you sign, once you award the bid,
things start happening, and I'd like to keep things, you know, just --

MR. FISHBURN: We have to drill a well.

MR. TOBIN: Just calm down Charlie. We'll get there. Okay? Maybe not as fast
as you want, but we'll get there. But this inspection number is something I
think we should talk about. I mean it's a big number, it's not 10,000 bucks
extra.
MR. FISHBURN: Yeah.

MR. TOBIN: So, ARCADIS, is that something that we can, we can perform some of this in-house at a cheaper cost or is this something that is, you're set in your ways and there's no way that we can have a local person do some of these inspections?

MR. LYNCH: Well, our intention is reasonably hire Jeff with the intention of participating in the injection well observation process. And, you know, we are open to options. Our interest is to serve your needs. And if there's qualified staff -- and it's different than installing a pipeline in a right-of-way.

MR. TOBIN: Right.

MR. LYNCH: If there is qualified staff available, it might be preferable to work that way.

MR. TOBIN: That's good to know. And I just, -- And there's -- We've yet to hear from Ed Castle on this. And, Ed, do you have any, you've been listening to all this, is there any words of wisdom you want to share with us?

MR. CASTLE: I don't have a lot of experience with deep injection wells. I'd have to rely on ARCADIS. I did discuss this with Jeff Weiler and we tend to agree that as long as the company has experience that's similar and has capability to bond, the risk isn't very high.

MR. TOBIN: Good, I'm done.

MR. BAUMAN: Susan? Done done, or done for the moment?

MS. HAMMAKER: Is it possible to ask the new geologist Mr. Hynes a question or two, or is that appropriate?

MR. BAUMAN: Sure. Step to the podium.

MS. HAMMAKER: I don't know you whether cruised through Nevada during the '70s or '80s.
MR. HYNES: Yes. At speed.

MS. HAMMAKER: Do I look familiar?

MR. HYNES: No. Guy I talked to spoke with a bear hat on, if I recall.

MS. WALKER: Please state your name and address for the record.

MR. HYNES: Jeff Hynes. 156 Harbor View Drive, Tavernier.

MS. WALKER: Thank you.

MS. HAMMAKER: Well, I'm glad to meet you, because geology is a great favorite subject of mine.

MR. HYNES: Me too.

MS. HAMMAKER: Now I'd like to ask you about your experience with our Florida coral rock geology.

MR. HYNES: My actual hands-on experience is all just amateur interest. I have 20, almost 30 years of experience in engineering in environmental geology consisting of deep boring pilot holes for the oil shale industry, a substantial amount of coal exploration, and review oversight. I worked for the Colorado Geological Survey for 22 years as a senior scientist. And I reviewed both extraction wells for ground water remediation projects and injection wells for disposal of treated effluent. Mostly into porous sandstone aquifers much deeper than 3,000 feet to get down in where the residence times the water had been there long enough that the water was brackish just because it had been sitting there for it 200-million years.

MS. HAMMAKER: Right.

MR. HYNES: So the overall situation was the same with the exception of some rare karst topography out there. The boulder zone is something I don't have any particular familiarity with. I'm sure you're familiar in the West. When we got into karst topography, we felt like we couldn't characterize it well
And so we generally did not look to complete in high porous, high macro-
porosity, high permeability zones. As I said, I've been, I've been coming to
Florida since I was a teenager, coming to the Keys since I was a teenager.
I've owned property here since the mid '70s and I've actually lived here full-
time since 2000. And just as you, I'm enthralled with the local geology,
familiar with the local geology and certainly in a position to know enough
about this to know what I need to learn before it gets to some critical
decision point in the process. Which is sometime off, I mean quite candidly,
we're not going to be trying to determine the actual characteristics of the
confining layer immediately above and then the boulder zone I would say for
four or five months, maybe even longer than that. Counting the mob time, the
set-up and the careful process where you're going to drill the pilot hole,
going to characterize the site very, very well. We have a prognosis from
ARCADIS which is based on this is what it looks like over here, this is what it
looks like over here, this is what it looks likes over here. We're surrounded
by data. We don't have any local data on our site. There is one well, one
deep well in a USGS water supply paper which is about 25 years old now on the
Floridan aquifer. I have identified the well but have not actually found
copies of the log, either lithologically or whatever geophysical testing they
may have done on that well, but I'm confident that I'll have that on hand
shortly. That will be added to information that I'm going to get from two
wells, one about seven years old and one less than a year old drilled into a
similar formation and characterized differently and it's got a different name.
But it basically functions the same way the boulder zone does down in Key West.
And so that information, I'll have that information in hand very shortly too.
What I envision my role at the project will be is something on the order of
maybe five hours a day, six days a week. A lot of the standardized sampling
and recording and in all of the geolographs and all of the recording devices
associated with modern well drilling are very sophisticated, very sensitive,
and fairly accurate. What needs to be done is for somebody to check those on a
regular basis: one, to see that the prognosis is right; two, to see that we're
getting what we want; and three, if there's something, wrong see what we need
to do about it to get what we want. You don't have to stand there and watch it
24 hours a day. There are technicians out there who can be trained to collect
the samples at the right time, verify what they are, identify, again compare
them to the prognosis, compare them to what they ought to be. And the driller
does a lot of them too. I mean the driller is really -- a good driller is
playing like playing a violin. Okay? He's paying very careful attention to
the behavior of his rig, his returns, his pressures, his weights. And a good
driller who has drilled the same formation again and again knows what to
expect, Oh, yeah, okay, that's my old friend, the silica layer cap, some strata
defined. And I know you're probably the only person that's understanding what
I'm saying.

MR. BAUMAN: I need to cut you off here.

MR. HYNES: Well, but it's a very sophisticated process and it doesn't require
us to do 24 hours.

MR. BAUMAN: It doesn't affect which bid we're going to accept.

MR. HYNES: No.

MS. HAMMAKER: I'm afraid it does as far as he just said, he's just said very
clearly that this matters very much on the driller's experience with this
particular zone and this critical thing, I'm afraid, I think if I heard you
correctly.

MR. HYNES: Well, but they're familiar with the zone. They're just not
familiar with the zone at this depth, is what I heard.

MS. HAMMAKER: I heard they're familiar with the book about the zone
(inaudible.)

MR. HYNES: Well I'm not going to champion either one.

MS. HAMMAKER: Right. No, I know that.

SPEAKER: My sense is basically the same as everyone else's. I think they've
demonstrated the capability to do the job.

MS. HAMMAKER: And do you network as with other as far as geologists that are
researching around here? I mean, you keep in contact? I think this is
important.
MR. HYNES: The short answer to that is no.

MS. HAMMAKER: Oh, okay.

MR. HYNES: I basically came down here and retired. And if this project were somewhere else I wouldn't be interested in doing it.

COMMISSIONER HAMMAKER: All right. Well thank you so much.

MR. BAUMAN: I've got to call the question, guys.

MS. HAMMAKER: I'd just like to merely say two things here, Gary. Very important things. I'm not usually a micromanager. I usually follow the staff. I think they'll say that, a hundred percent practically. And I guess I've received some criticism from the audience for doing that. Anyway, I guess maybe I'm trying.

MR. TOBIN: We're in no hurry. We'll sit here all day.

MS. HAMMAKER: Anyway, as I go around and talk to some of the citizenry, I thought everybody would say this was about saving money. The people that I have talked to are very much, they say, "Oh, my gosh, we don't want anybody that's a first-timer." And again, I don't, you know, that's what I hear. You may be at fine and we may decide to have you and if he gets bids I will be supporting him. I won't be looking around every corner. But I'm just trying to bring out the facts here. As long as new information has come forth that Mr. Lunch has noticed, I would ask that we have a new letter from Mr. Lynch and we ask for a re-bid on this. I think we're able to do that. That's what I would.

MR. BAUMAN: Okay. I'm going to call the question. It's an action item

MR. TOBIN: There is no question.

MS. WALKER: There's no motion.

MR. TOBIN: I have a comment that I'd like to make.
MR. BAUMAN: I'm waiting for a motion.

MR. TOBIN: Well, I'm not ready to make one. Can I ask a comment of staff?

MR. BAUMAN: We've asked every question three times, Andy. I would like to hear a motion. And I'll give you another chance to ask.

MR. TOBIN: But as a chairman you don't get, you can't demand a motion. If somebody's not making one, it's still in debate.

MR. BAUMAN: So I'm asking will somebody make a motion? Is there someone to make a motion?

MR. HIGGINS: I'd like to make a motion that we accept the All Webb bid.

MR. BAUMAN: Is there a second? Okay, go ahead Andy.

MR. TOBIN: Susan mentioned rebidding, and I'm not in favor of that. I don't think that that's the fair way to do it. I think it's going to tarnish our reputation. And I think we've heard, you know, sufficient backup from Weiler, from Ed Castle, from ARCADIS, from Mr. Lynch, from our staff, and while inexperience is a factor, I don't think that rebidding is something that we -- I'm not even sure that legally we could do it, but I'm not in favor. So let me just ask legally could we do it?

MR. DILLON: Legally we have the ability to reject all bids and use this or some other procurement process. As a matter of practice it's almost never done unless the project actually changes. You're not likely to get much different bid, and you get a bad reputation in the business if you just keep rebidding. So my recommendation on this case will be that you not rebid.

MR. TOBIN: I just wanted to put that on the table. I believe the same thing. So with that, if Norman's going to make a motion, I will be prepared to second that.

MR. BAUMAN: He did make a motion.

MR. TOBIN: It died for lack of a second.
SPEAKER: I would like to remake a motion that we accept the contract from Webb.

MR. TOBIN: I second it.

MR. BAUMAN: I hate to say this, but is there any more discussion? Hearing none, do a roll call, Carol.

MS. WALKER: Commissioner Higgins.

Mr. HIGGINS: Yes.

MS. WALKER: Commissioner Tobin.

MR. TOBIN: Yes.

MS. WALKER: Commissioner Bullock.

MR. BULLOCK: Yes.

MS. WALKER: Commissioner Hammaker.

MS. HAMMAKER: No.

MS. WALKER: Chairman Bauman.

MR. BAUMAN: Yes. Let’s take a ten minute break.
Bid for Wastewater Treatment Plant Process Tanks

Mr. Fishburn explained that the plan is for the District to Bid the SBR tanks, digester tank, and domed equalization tank as a standalone project. The tanks need to be constructed concurrently with the deep well to provide storage for testing of the deep well.

Motion: Commissioner Hammaker made a motion to approve going out to bid for the process tanks. Commissioner Bullock seconded the motion.

Vote on Motion

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Motion passed 5 to 0

COMMISSIONER’S ITEMS

Trip to Tallahassee

Chairman Bauman reported that most of the government representatives that he spoke with are planning on fining or shutting down package plants that do not meet the 2010 deadline. He reported that some said that there would be no money in the budget for wastewater others said that the Governor is trying to get $20 million in this budget for wastewater. Chairman Bauman also stated that the District’s legislative representative seem to know everyone in Tallahassee.

Tree Roots in Construction Paths

Staff reported that the collection system lines are being routed into the center of the road in a specific neighborhood because of large trees with roots in the right of way. The District’s policy is to determine change requirements such as this on a case by case basis.

Meet Your Wastewater Staff

Commissioner Tobin would like to see articles in the paper spotlighting the District’s Staff. The Board directed staff to do press releases on a regular basis. Mr. Waits, CFO, will do the first article on financing.

BULK ITEMS

Minutes of February 5, 2008
Pending Payments of February 19, 2008

Motion: Commissioner Higgins made a motion to approve Bulk Items with the Pending Payments of February 19, 2008 contingent upon the availability of funds... Commissioner Bullock seconded the motion.

Vote on Motion

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Commissioner Higgins  X
Commissioner Tobin  X
Commissioner Bullock  X
Motion passed 5 to 0

ENGINEER’S REPORT
Monthly Report
Mr. Castle reported that progress on Basin A is continuing and he has told GlobeTec that they are a little concerned about their red line drawings not being up to standard. Basins B, and C design reviews are going well. The treatment plant is running well.

FINANCIAL REPORT
Rural Water Association Interim Financing Program.
Mr. Waits explained how the Rural Water Association Interim Financing Program works. Mr. Waits explained that the District might need to incorporate some level of RWA Bridge financing in FY 2009.

Insurance Update Report
Mr. Waits reported on his progress on his efforts to optimize the District’s insurance program.

Mr. Waits reported that the audit is almost complete and looks good. The District will be changing the way some information is recorded making the next audit easier for the auditors.

LEGAL REPORT
Calusa Campground
Closed session was cancelled.

KLWTD Legislation to Change Permitting Requirements
Thomas Dillon, District Counsel, explained to the Board that the he and the County Attorney have reached a compromise on the wording for the amendment. The District will hold another public hearing in Key Largo on February 21 at the Lions Club at 5:00 PM. The hearing will be recorded and sent to Representative Saunders.

GENERAL MANAGER’S REPORT
System Development Charges for the Nelson Center
Mr. Fishburn told the Board that District Staff proposes to accept a lump sum payment of $83,425 as payment in full of all system development charges for the Nelson Center parcel. This means that there would be no further charges or assessments other than the monthly wastewater charges, currently $33.60/month per EDU plus $5.27/1,000 gallons of FKAA metered water consumption. These charges will appear on the County’s water bill. Also, there would be no additional charges for early connection.

Motion: Commissioner Tobin made a motion to accept the lump sum payment of $83,425 as payment in full of all system development charges for the Nelson Center parcel. Commissioner Higgins seconded the motion.
## Vote on Motion

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Motion passed 5 to 0

## ADJOURNMENT

The KLWTD Board adjourned the Board Meeting at 6:20 PM.
The KLWTD meeting minutes of February 19, 2008 were approved on April 1, 2008.

Chairman Gary Bauman

Carol Walker, CMC
District Clerk